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18 APR 1982

MEMORANDUM FOR: Executive Officer to the DDA

FROM: James H. McDonald
Director of Logistics

SUBJECT: Factored Support Package--Phase II

REFERENCE: Multiple Addressee Memorandum from EO/DDA,
Dated 1 March 1982, Same Subject
(DDA 82-0436/3; OL 2-0928)

1. In support of the goal of developing a consolidated DDA Factored Support Resource Package, forwarded herewith is the Office of Logistics (OL) revised submission of cost estimates provided during Phase I of the project. In the revised submission we have refined, consolidated, and averaged multiple cost estimates to conform with the simplified format prescribed in the referenced instruction. Deviations from figures and data previously submitted result primarily from averaging multiple categories into a single category. Other deviations are attributed to the academic approach employed in the refinement that uses historical costs experienced in similar or related scenarios that relate to those assumed in the planning exercise. In developing these revised estimates, the applied rationale and logic considered the following assumptions.

- Any increase in Agency population will require acquisition of new space by lease.
- One square foot of leased space will cost \$15 to renovate and \$15 per year to lease.
- One new employee will require [] of space at either Headquarters or U.S. field locations.
- Increases in DDO population and activities will require attendant TDY support relative to the level currently being provided. The DDS&T Initiatives will require slightly more support than DDO activities.
- The cost of a basic work station and required secure storage [] per station.
- The average cost of each OL careerist [] per annum.
- Existing resources (space, personnel, and other) are currently tasked to maximum efficiency and utilization; New Initiatives require new resources.

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OL 2 0928a

SUBJECT: Factored Support Package--Phase II

- A typical new position, or fraction thereof, is adjusted to consolidate increased personnel resources for leasing, design, construction, follow-on engineering support, supply, services, and procurement support. These requirements are collectively added together to arrive at the position estimates.

2. Contractual services support is difficult to assess since the amount of administrative overhead frequently is not directly proportionate to the dollar value of actions. Because of these complexities, it is our best judgment that, for 100 new contracts, one contract specialist is required. A rule of thumb, developed by the Environmental Protection Agency and accepted by the Office of Management and Budget, is that one contract specialist is required for every [redacted] increase in contract dollars. We believe this estimate to be reasonable and have accordingly used it in factoring data provided. While we do not forecast a material effect on the number of contract specialists required by the addition of 10 new contractors to our list, we have included a [redacted] position in this situation to cover the reasonable resource impact from an industrial security viewpoint.

3. Our experience has shown evidence of an adverse impact of New Initiatives on OL's ability to responsively support such activities when such initiatives have not previously been coordinated during the planning cycle. Any population growth in the Agency will affect the level of demand placed upon the Agency's logistics system; it will impact available resources to support such growth. In developing the attached estimates, consideration and emphasis have been given to the impact upon such growth in the supply, real estate, services and procurement disciplines.

4. The variety of undefined situations that may arise in the course of intelligence activities (and New Initiatives undertaken in support of these activities) have unpredictable impacts upon available resources. These impacts can significantly deviate from averages presented in this paper. The paper, therefore, provides a "middle of the road" viewpoint, but please recognize the indeterminacy of this planning figure.

Attachment:
As stated

for James H. McDonald

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